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CONSUMER ALERT

PROTECT YOURSELF: INSURING YOUR TEEN DRIVER

Insuring a teen driver is often an additional cost for many parents. Many companies consider drivers under the age of 25 a higher risk, and this often translates into higher premiums. Here are some tips from the National Association of Insurance Commissioners (NAIC) to help you get the best value for your auto insurance dollar.

1. TEEN DRIVER FACTS

According to the American Academy of Pediatrics, one-third of deaths of people ages 16 to 20 are due to motor-vehicle accidents. That's more than 5,000 teens a year. Faced with those statistics, it's important to view teen driving as a privilege, not a right.

2. LAY THE GROUND RULES

Insuring a teen driver will result in additional costs for you, no matter which insurance policy you choose. However, how well your teen respects the privilege of driving is a factor you can control. Lay some ground rules for safe driving before your teen ever gets in the driver's seat. Set up driving rules, including:

- Hours during which the teen can and cannot drive
- Number of friends allowed in the car at one time
- Number of miles teen is allowed to drive per day or week

You may also want to consider setting up a driving contract with your teen. The contract should clearly list the teen's duties and responsibilities when driving and caring for the vehicle and should be signed by both of you.

3. PURCHASE A VEHICLE OR ADD A DRIVER?

You may not want to purchase a car specifically for your teenager, but adding another driver to your policy can be costly. For example, if you drive a newer, expensive sports car, adding a teen driver may considerably raise your premiums. However, a modestly priced economy car with liability coverage may be more appropriate for your teen. Make sure you discuss options with your insurance agent.

4. GIVE COMPLETE, CORRECT INFORMATION

When you call for a quote or fill out an application, give complete and correct information, such as make, model and year of the car the teen will be driving. Since your premium quote will be based on this information, it is very important that your information be as accurate and complete as possible.

5. SHOP AROUND

It pays to shop around before buying insurance. Different com-

panies can offer noticeably different premiums. For example, if your child is an honor roll student, passed a driver's education course or has a job, some companies may offer a reduced premium. Some discounts include:

- Two or more cars on a policy
- Participation in driver education courses
- Good student driver under age 25
- Airbags or other safety equipment
- Anti-theft devices
- Auto/home insurance on same policy or with same company

6. CONSIDER REVISING COVERAGE, DEDUCTIBLES

You may reduce your auto insurance costs by raising the deductibles on physical damage (collision and comprehensive) coverages. Be sure to review your current deductibles to determine whether you can afford to absorb a larger portion of your loss in the event of an accident. Also, consider lowering or eliminating physical damage coverages on older vehicles — unless a lienholder, such as a bank, requires it.

7. REGULARLY REVIEW YOUR POLICY; UPDATE ACCORDINGLY

Regularly review your policy to make sure the basis for your premium is as accurate as possible. Here are some things that can affect your premium:

- Adding or removing a vehicle from your policy
- Teen graduates from high school or reaches the age 18

8. GET MORE INFORMATION

For more information, contact your state insurance department. You can link to your insurance department's Web site by visiting www.naic.org. Click on "State Insurance Web Sites," then click on your state.

The National Association of Insurance Commissioners is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and four U.S. territories. The overriding objectives of state regulators are to protect consumers and help maintain the financial stability of the insurance industry. If you would like more information, please contact the NAIC Communications Department at (816) 842-3600 or send e-mail to communications@naic.org.